



Fact Sheet on the Amendment and Extension of the Environmental Cooperative Agreement between We Energies' Pleasant Prairie Power Plant and Wisconsin Department of Natural Resources

Following a public comment period, the Wisconsin Department of Natural Resources (DNR) has amended and extended the Environmental Cooperative Agreement (Agreement) that it signed with Wisconsin Electric Power Company (now doing business as We Energies) on February 5, 2001. Both the original Agreement and the amendment and extension were developed under Wisconsin's Environmental Cooperation Pilot Program pursuant to Section 299.80, Wis. Statutes.

A. Background

1. The Facility

The Pleasant Prairie Power Plant (P4) is the largest electric generating plant in Wisconsin and employs 180 people. The facility occupies approximately 425 acres of land in the Village of Pleasant Prairie, five miles west of Lake Michigan in Kenosha County. The plant consists of two nominally rated 615 Megawatt units, each consisting of a boiler, turbine and electric generator. It is Wisconsin Electric's main baseload plant, operating 24 hours per day throughout the year with the exception of maintenance outages that are typically scheduled once every 12 to 24 months.

The plant burns low-sulfur pulverized coal delivered to the plant from the Powder River Basin in Wyoming via trains. At maximum load the plant may burn 800 tons of coal per hour. Coal delivered to the plant is stored in an outdoor coal pile having a maximum capacity of 1.4 million tons. The plant also uses natural gas and No. 2 fuel oil during initial start-up of the boilers when they have been out of service and as a supplemental fuel.

2. The Original Agreement

The original Agreement was signed by DNR and We Energies on February 5, 2001. It was the first Environmental Cooperative Agreement in Wisconsin and one of the first agreements of its kind anywhere in the U.S. The centerpiece of the original Agreement was We Energies' plan to recover coal ash from company-owned landfills and convert it from a waste product into a valuable commodity. The recovered ash is either used to make an aggregate material for construction uses or is blended with coal and burned at the Pleasant Prairie Power Plant to generate electricity. Other key elements of the original Agreement included commitments by We Energies to:

- Develop and implement an environmental management system (EMS);
- Establish an interested persons group and involve the group in monitoring the performance of the EMS and the success of the Agreement;

- Periodically evaluate compliance and environmental performance, and report results to DNR and the interested persons group; and,
- Strive to reach specific performance goals and, in general, to achieve superior environmental performance.

In return for the above commitments, and in order to facilitate the beneficial use of coal combustion products, DNR granted We Energies operational flexibility and/or streamlined processes on matters related to monitoring and corrective actions, reporting and notifications, air pollution control permits and approvals, and recovery and beneficial use of coal combustion products. *The Agreement did not relax any pollution limits or control requirements.* A fact sheet summarizing the original Agreement is available on DNR's website (details provided below).

3. Results from the Original Agreement

The original Agreement enabled We Energies to achieve outstanding environmental results that garnered national recognition. Comprehensive reports on environmental performance were submitted by We Energies to DNR on an annual basis. Highlights of those reports included the following facts:

- More than 1 million tons of coal combustion products were beneficially used under the original Agreement;
- The amount of material annually sent to the P4 landfill decreased *by more than 99%* thanks to 100% beneficial use of ash;
- Use of recovered ash as a supplemental fuel allowed We Energies to avoid the use of more than 1600 railroad cars (approximately 200,000 tons) of coal;
- In recognition of their leadership and innovation in the beneficial use of ash, We Energies received a 2002 *Governor's Award for Excellence in Environmental Performance*, the 2004 *Edison Award* (the highest honor in the U.S. electric utility industry), and the 2005 *Overall Achievement Award* from the national Coal Combustion Products Partnership;
- Nitrogen oxide emissions decreased by more than 90% from P4 Unit 2 after We Energies installed the 1st Selective Catalytic Reduction (SCR) Unit ever built in Wisconsin;
- P4 was the host and site for the 1st voluntary, full-scale mercury air emission control research project in the U.S.; and,
- We Energies won the 2004 *Business Friend of the Environment Award* from Wisconsin Manufacturers and Commerce for the company's efforts at P4 and elsewhere to protect and restore populations of endangered and threatened species.

B. Amendment and Extension of the Agreement

1. Rationale

By law, Environmental Cooperative Agreements last 5 years and can be renewed and extended for one additional 5-year term. The original Agreement was set to expire on February 5, 2006 unless it was extended. Considering the environmental benefits that accrued under the terms of the original Agreement, both parties decided to extend the Agreement. Some of the most beneficial activities would be difficult or impossible to continue in the absence of an Agreement.

Although both parties wished to extend the Agreement, both parties recognized that the original Agreement had minor flaws that needed to be corrected. The original Agreement included minor technical errors, it was confusing in parts, and it was inconsistent in minor ways with other commitments made by We Energies and DNR. Both parties also acknowledged the existence of new opportunities for innovation and operational flexibility that could strengthen the Agreement. For these reasons, We Energies and DNR decided to amend the original Agreement at the same time it was extended. A detailed summary of the changes is provided below.

2. Summary of the Amendment

The amendment modified the original Agreement in all the following ways:

- Corrected minor technical errors and updated outdated information;
- Expanded the potential for beneficial use of coal combustion products (ash);
- Established a new DNR/We Energies team to facilitate communications and implementation of the Agreement;
- Simplified and clarified commitments related to the involvement of interested persons;
- Added new research commitments related to mercury emission control methods and mercury and particulate monitoring devices;
- Streamlined and clarified requirements for wastewater monitoring, review of water treatment additives, and review of minor changes to wastewater facilities;
- Established clear expectations regarding the schedule for renewal of the Title V air pollution control operation permit; and,
- Simplified and clarified commitments to annual performance evaluations and reporting.

Provisions of the original Agreement that were not modified by the amendment were extended an additional 5 years. Interested persons should refer to the Fact Sheet describing the original Agreement for more details. That Fact Sheet is available on DNR's website (details provided below).

The amendment did not grant any variances to emission limits or pollution control requirements. The amendment did, however, provide alternative and/or streamlined procedures for certain administrative requirements in the areas of monitoring, reporting, and approval processes. These alternative procedures will reduce confusion associated with the original Agreement and could save We Energies and DNR both time and money. A copy of the full text of the amended agreement is available from DNR's website (details provided below).

C. For More Information

Visit the Bureau of Cooperative Environmental Assistance website at: <http://dnr.wi.gov/org/caer/cea/ecpp/> or contact John Shenot at (608) 267-0802, John.Shenot@dnr.state.wi.us. For documents related to the original Agreement or the amendment and extension of the Agreement, click on "Agreements", and then click on the link for Pleasant Prairie Power Plant.